

(l) *Safe* is a non-portable money storage compartment which is reinforced with a minimum of ¼ inch solid steel plate throughout, with the exception of the door, which must be at least one inch thick solid steel plate and equipped with a combination lock, which is an integral part of the door.

(m) *Safe or Vault Alarm* means a safe or vault protected by a central station or silent alarm supervised system.

(n) *Central station, supervised service alarm system* that is professionally installed and is regularly maintained, and is certified by Underwriters Laboratory (U/L) means a silent alarm system that is constantly in operation, that is equipped with a telephone and electricity line security mechanism that activates the alarm if either line is cut, and which signals upon any breach of a door, window (including storefront windows and unbarred skylights), or other accessible opening to the protected premises, at a private sentry or guard headquarters that is attended and monitored 24 hours a day, that dispatches guards to the protected premises for which they have keys immediately upon the activation of the alarm, that periodically checks the operation and effectiveness of the system, and that notifies law enforcement authorities as soon as a breach of the premises is confirmed.

[36 FR 24772, Dec. 22, 1971. Redesignated at 44 FR 31177, May 31, 1979, as amended at 47 FR 19349, May 5, 1982; 50 FR 16495, Apr. 26, 1985; 53 FR 11276, Apr. 6, 1988; 55 FR 42189, 42190, Oct. 18, 1990]

§ 82.2 Purpose of protective device requirements.

(a) Section 1231(b) of the Act (12 U.S.C. 1749bbb-10a(b)) provides that no Federal crime insurance shall be made available to a property which is deemed by the insurer to be uninsurable or to a property with respect to which reasonable protective measures to prevent loss, consistent with standards established by the insurer, have not been adopted.

(b) It is the intention of the insurer to require at the inception of the program only those protective devices generally in use or readily available for particular types and classes of properties at the present time. As the pro-

gram progresses, however, the insurer proposes to amend these requirements from time to time to enforce a higher and more effective standard of protection against ordinary property crimes than now exists. Such revised requirements are not expected to be published more often than once a year and will be applicable only to crime insurance policies issued or renewed after their effective date.

(c) Protective device standards that impose less-stringent or optional alternate requirements upon applicants and insured, as well as clarifications of existing standards, may be published at any time and shall be applicable both to new policies and to renewals and, at the option of the insured, to crime insurance policies already in force.

(d) As a further control on claims frequency and severity, the following minimum protective device requirements apply if the policyholder has had 2 or more claims each for a payment of \$500 or more, in the immediate 3 years preceding the period ending 4 months prior to renewal.

Premium class	Protective device code
6	A
5	A
4	C
3	C
2	C
1	N/A

(e) For those policyholders with no claims in the immediate 3 years preceding the period ending 4 months prior to renewal, protective device requirements are liberalized as follows:

Premium class	Protective device code
6	C
5	C
4	D
3	E
2	E
1	N/A

[36 FR 24772, Dec. 22, 1971. Redesignated at 44 FR 31177, May 31, 1979, as amended at 55 FR 42190, Oct. 18, 1990]

§ 82.3 Classification of properties.

The protective devices required under this part fall into two broad categories, residential and commercial. Requirements for residential properties

are expected to remain relatively stable and are not likely to vary by classes. The protective devices required for commercial and industrial properties will vary greatly by the type of risk involved and will be changed periodically as experience and knowledge are gained under the program and from studies being undertaken by other public and private agencies.

§ 82.4 Inspection of residential premises following losses.

(a) Each residential applicant applying for Federal Crime Insurance shall be responsible for meeting the protective device requirements applicable to his premises. Any person who is doubtful as to whether the protective devices existing on his premises at the time of application meet such requirements should examine the descriptive materials and illustrations available from the servicing company and direct any specific questions to the servicing company.

(b) In addition insurance agents and brokers are expected to assist and advise prospective insureds concerning the protective device requirements for residential premises. However, no agent or broker shall be authorized to approve or disapprove on behalf of the insurer the adequacy of any required protective devices, and any representation to the contrary is false and shall be void.

(c) Upon receiving any notice of loss from an insured, the Administrator shall cause an inspection of the insured residential premises to be made in the course of the adjustment of the claim in order to determine whether the premises meets the protective device requirements of the program. If no inspection of the premises has previously been made and if the first such inspection reveals that the insured premises does not comply with the applicable protective device requirements, any first loss covered by the terms of the insurance policy, involving robbery or a burglary evidenced by visible marks of forcible entry, will be paid irrespective of any deficiencies in the insured's compliance with the protective device requirements. However, the insured will be given thirty days from the date on which he is notified in writing of

any deficiencies to correct such deficiencies. During that thirty day period, robbery or burglary losses covered by the terms of the insurance policy will continue to be paid irrespective of any deficiencies in the insured's compliance with the protective device requirements. Losses occurring more than thirty days after the date on which the insured has been notified in writing of the results of the inspection will be paid only if it is determined that a loss, covered by the terms of the insurance policy, did not result in whole or in part from a protective device deficiency of which the insured was previously placed on written notice.

[43 FR 4009, Jan. 31, 1978. Redesignated at 44 FR 31177, May 31, 1979]

§ 82.5 Inspection of commercial premises.

(a) All premises for which an application for commercial crime insurance against burglary losses is submitted shall be inspected by the servicing company to determine whether the premises comply with the applicable protective device requirements.

(b) Coverage under a commercial crime insurance policy indemnifying against burglary losses shall not commence unless it is determined that the premises sought to be insured complies with all applicable protective device requirements. Provided, that all commercial premises whose exterior doors and accessible openings are found upon inspection to be protected by central station supervised service alarm systems or silent alarm systems (as those systems are defined in paragraphs (b), (c), (i), (j) and (n) of § 82.1 shall not be required to comply with the provisions of paragraphs (b) and (e) of § 82.31 pertaining to the protection of those exterior doors and accessible openings by such devices as bars, grillwork, and other physical barriers. The benefit of this provision, therefore, applies also to commercial premises which, because of their particularly high risk inventories of merchandise continue to be required by paragraphs (f) (1) and (2) of § 82.31 to have exterior doors and accessible openings protected by specific types of alarm systems, namely, supervised service alarm systems for the highest risk inventories and silent